

**EXHIBIT 11**

**From:** [Heidi Dillard](#)  
**To:** [Andrew Stiles](#)  
**Cc:** [Kim Daniel](#); [Mark A. Berman](#)  
**Subject:** A. Stiles - Employment  
**Date:** Wednesday, December 15, 2021 3:04:38 PM  
**Attachments:** [image001.png](#)  
[image002.png](#)  
[image003.png](#)  
[A Stiles Termination Letter 15 Dec 21.pdf](#)

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Andrew,

Happy Wednesday! I hope my note finds you well.

On October 25<sup>th</sup>, based on the information known at the time, Phlow accepted your resignation of employment effective December 16, 2021. Subsequently, while transitioning your work, we discovered you engaged in conduct during your employment which violates your employment agreement. As such, we deem it necessary to end your employment effective today, December 15, 2021, pursuant to Section 2.2.3 of the agreement.

Please see the attached letter for additional information.

As always, please feel free to reach out with any questions and concerns.

Best,

Heidi

**Heidi Dillard**  
Chief Human Resources Officer  
Phlow Corporation

804.774.0344 (m)



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December 15, 2021

CONFIDENTIAL

**VIA FEDEX AND E-MAIL**

Mr. Andrew Stiles  
95 Gordon Street  
Charleston, SC 29403

Re: Termination of Employment for Cause

Andrew:

Based upon the information known at the time, on October 25, 2021, Phlow accepted your resignation of employment effective December 16, 2021. Phlow subsequently discovered while transitioning your work that you engaged in conduct during your employment which violates the Amended and Restate Executive Employment Agreement (the "Agreement") between you and the Company. Accordingly, Phlow has determined that it is necessary to end your employment for Cause pursuant to Section 2.2.3 of the Agreement. We are terminating your employment effective December 15, 2021. Since we processed payroll on December 9, 2021, you will receive an additional day of compensation. Pursuant to Section 2.2.3 of the Agreement all stock options associated with your employment have been or will be cancelled, whether vested or not.

The Agreement defines "Cause" in relevant part to include: 1) your material failure to comply with any material terms and provision of the Company's policies, rules, or regulations applicable to other employees of a similar level within the organization or material breach of this Agreement or any other agreement with the Company, and 2) your gross negligence or misconduct that materially and adversely affects the business or reputation of the Company. You provided a template to Phlow to develop its EEO, Ethics and Business Conduct policies and received a copy of the same as well as the Employee Handbook during your employment. In addition, for some period you were designated as Phlow's "Government Compliance Officer." As you know, Phlow's Ethics and Business Code of Conduct Policies (the "Policies") cover a wide range of business practices and procedures and establish a high bar. Employees must not only comply with all applicable laws, rules, and court orders but also must seek to avoid even the appearance of improper behavior. Specifically, the Policies state:



## Policy

***Phlow employees will maintain the highest ethical standards in the conduct of Phlow Corporation affairs.*** The intent of this policy is that each associate will conduct Phlow Corporation business with integrity and comply with all applicable laws in a manner that excludes consideration of personal advantage or gain.

## Protecting Confidential Information

Given the nature of our work with the U.S. Government, our contracts generally require strict confidentiality. ***Accordingly, employees shall not disclose any third-party confidential information***, including but not limited to information of a personal nature about an individual, proprietary information, ***data submitted by or pertaining to an institution or organization, information provided by the U.S. Government***, and information generated under a US. Government contract, ***without prior consent from the U.S. Government or the Government Compliance Officer.***

Emphasis added. In additional, all employees must comply with Phlow's Policies and Procedures and Employee Handbook (the "Handbook").

Your conduct described in detail below constituted a material failure to comply with the material terms and provisions of Phlow's policies as well as misconduct that materially and adversely affects the business or reputation of the Company. Accordingly, "Cause" to terminate your employment exists.

First, Phlow has discovered that you acted inappropriately in your dealings with Robert Caldwell and his firm, Strategic Health Solutions, LLC. Mr. Caldwell was, and through at least November 2021 continued to be, a contractor supporting the Department of Defense ("DoD") Defense Threat Reduction Agency ("DTRA"). You began corresponding with Mr. Caldwell in September 2020 and retained him as a Phlow consultant around October 20, 2020. Based on Mr. Caldwell's emails to you, you knew or should have known that Caldwell was a DTRA contractor. On February 25, 2021, you received an email from Mr. Caldwell that stated: "I've attached the DHA Joint Deployment Formulary and Procedures Manual. Please keep these close hold[.]" DHA appears to refer to the Defense Health Agency, a DoD component. The email had an attachment with a file name that included the phrase "FOUO," and the body of the attachment included a legend that said, "For Official Use Only." The FOUO marking indicates that the document is a government document that is restricted from public release without further government review and approval.



Under the circumstances, you either knew or should have known that Mr. Caldwell likely lacked authority to share this attachment and that the information in it was likely non-public DoD information. Despite that, you drafted a new email in which you sent the attachment to others at Phlow. In this new email, the attachment's file name does not include the phrase "FOUO." Because you deleted "FOUO" from the file name, you clearly understood the information was likely non-public, and you were attempting to conceal this fact from Phlow.

Second, Phlow has determined that you acted inappropriately when selecting a vendor to provide earned value management ("EVM") services for work under its federal contract with the Biomedical Advanced Research and Development Authority ("BARDA"). In September 2020, you corresponded with two vendors regarding EVM support: Humphreys & Associates ("H&A") and Integrated Compliance Analytics ("ICA"). Matthew Franz represented ICA. You had a close relationship with Mr. Franz and had worked with him in the past at BDO USA LLP ("BDO"). According to public court filings, at the time you and Mr. Franz corresponded about EVM support, you both were defendants in separate but related lawsuits brought by BDO alleging that you both had inappropriately competed with BDO and misappropriated BDO's confidential information.

On September 16, 2020, you signed a nondisclosure agreement with H&A, agreeing to protect the confidentiality of certain information exchanged between the parties relating to a potential business relationship. On September 25, 2020, H&A's representative sent you a proposal to provide EVM services; the proposal contained a marking indicating that it was "submitted in confidence" and should not be disclosed to H&A's competitors. The proposal was within the scope of the nondisclosure agreement, and Phlow owed a duty to H&A to keep the proposal confidential. Despite that, on September 28, 2020, you forwarded H&A's proposal to Mr. Franz. Subsequently, you retained Mr. Franz to provide EVM consulting support.

Your conduct described above may have breached Phlow's nondisclosure agreement with H&A, and certainly demonstrates a failure to use reasonable care in handling sensitive business information that was clearly marked as confidential, as well as a failure to conduct business in an ethical manner. All of your actions related to the above incidents also materially and adversely affect Phlow's business or reputation and constitute another "Cause" basis to terminate your employment under the Agreement.

Please ensure your compliance with the non-solicitation and non-competitions covenants in Sections 10 and 11 of the Agreement throughout the applicable restriction period. You previously have been provided a copy of your Employment Agreement as well as the Employee Confidentiality Agreement.



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If you have any questions about post-termination benefit continuation coverage, please feel free to contact me at [hdillard@phlow-usa.com](mailto:hdillard@phlow-usa.com).

Sincerely,

Heidi Dillard  
CHRO, Phlow

cc: Mark A. Berman, Esquire